

Westminster Group Plc

Terms of Reference of the Audit Committee

1. Purpose

1.1 The Board of Directors (the "Board") of the Westminster Group Plc. (the "Company") has established an audit committee (the "Committee") in order to oversee and review the Company's financial reporting, risk management and internal control processes, its relationship with external auditors and the conduct of the audit process together with its process for ensuring compliance with laws, regulations and corporate governance.

1.2 These Terms of Reference are defined by the Board and may be amended by the Board at any time.

2. Membership and attendance

2.1 The Committee shall be appointed by the Board and shall comprise of no less than two members.

2.2 All members of the Committee shall be independent non-executive directors, at least one of whom shall have recent and relevant financial experience.

2.3 Only members of the Committee have the right to attend Committee meetings. However other individuals such as the Chairman of the Board, the Company's Chief Executive Officer, the Company's Chief Financial Officer and other representatives of the Company's finance team may be invited to attend all or part of any meeting of the Committee when deemed appropriate. When the committee is reviewing the Risk Committee activities, the Risk Committee Chairman will be requested to attend and other appropriate members if required.

2.4 The Company's external auditors will be invited to attend audit related meetings of the Committee on a regular basis.

2.5 Appointments to the Committee shall be for a period of three years providing the member remains an independent non-executive director of the Company and will be reviewed by the Board on an annual basis thereafter.

3. Chairman

3.1 The Chairman of the Committee ("Chairman") shall be appointed by the Board which shall determine the period for which he/she shall hold office. The Chairman will be an independent non-executive director of the Company but not the Chairman of the Board.

In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting.

3.2 The Chairman shall be available at the Annual General meeting of the Company to respond to any shareholder questions on the activities and responsibilities of the Committee.

4. Secretary

4.1 The Chairman of the Committee shall appoint the Company Secretary or one of the other Committee members to be the Secretary for the Committee. In the absence of the Secretary, the remaining members present shall elect one of themselves to act as Secretary for that meeting.

5. Quorum

5.1 A quorum shall be two members.

5.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6. Meetings

6.1 Meetings shall be held at least twice a year for audit matters and twice a year for risk committee review and at such other times as shall be necessary or appropriate, as determined by the Chairman.

6.2 The Committee will meet with representatives of the Company's Auditors at least once a year without any executive directors being present, except by invitation of the Committee.

6.3 The Company's Auditors and any member of the Committee may request a meeting if they consider that one is necessary.

6.4 The Committee shall meet in person or by telephone/video conference as appropriate.

7. Notice of meetings

7.1 Meetings of the Committee shall be summoned by the Secretary at the request of any of its members.

7.2 Unless otherwise agreed, notice of each meeting confirming the date, venue and time, together with an agenda of items to be discussed and any backing papers, shall be forwarded to each member of the Committee and any other person invited to attend the meeting no later than five working days prior to the planned meeting. However, such notice may be waived or shortened with consent of all members of the Committee.

8. Minutes

The Secretary shall produce the minutes of meetings of the Committee. All such minutes shall be circulated to members of the Committee and once agreed, to the Board.

9. Authority

The Committee is authorised by the Board to:

- 9.1 investigate any activity within its terms of reference.
- 9.2 seek any information that it reasonably requires from any employee of the Company or subsidiaries of the Company in order to effectively perform its duties.
- 9.3 obtain, at the Company's expense, external professional advice as necessary and in particular, from the Company's external auditors, brokers and legal advisers.
- 9.4 secure the attendance at meetings of the Committee of outsiders with relevant experience and expertise if the Committee considers this necessary.
- 9.5 liaise with the Company's NOMAD as appropriate in relation to the AIM Rules (e.g. audit timetable).

10. Duties

The Committee shall carry out the duties below as appropriate.

10.1 Financial Reporting

- a. The Committee shall monitor the integrity of the financial statements of the Group, including its annual and half-yearly reports, preliminary results' announcements and any other formal announcements relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain and challenge where necessary.
- b. The Committee shall review and challenge where necessary:
 - i. the consistency of, and any changes to, accounting policies both on a year-on-year basis and across the Group.
 - ii. the methods used to account for significant or unusual transactions where different approaches are possible.
 - iii. whether the Group has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor.

- iv. the clarity of disclosure in the Group's financial reports and the context in which statements are made.
 - v. all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management);
- c. Taking account of the Committee's findings from performing the duties set out in paragraphs a and b above the Committee shall provide advice to the Board on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

10.2 Internal Controls

The Committee shall:

- a. keep under review the effectiveness of the Company's internal financial controls, including all material financial, operational and compliance controls systems.
- b. review and approve the statements to be included in the Annual Report concerning internal controls and risk management.
- c. monitor and review the effectiveness of any internal audit function, ensure co-ordination between the internal and external auditors and ensure that it is adequately resourced and has appropriate standing within the Company (and where there is no internal audit function, consider annually whether there is a need for an internal audit function and make a recommendation to the board);
- d. review financial policies and the policies on suspected fraud, anti-bribery and other irregularities; and acceptance of gifts, hospitality and other benefits; including compliance with such policies annually.

10.3 Audits

The Committee shall:

- a. consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Group's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required; .
- b. oversee the relationship with the external auditor including (but not limited to):

- i. approval of their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted.
- ii. approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.
- iii. assessing annually their independence and objectivity taking into account relevant UK professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services.
- iv. satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Group (other than in the ordinary course of business);
- v. meet with the external auditor as appropriate.
- vi. review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement.
- vii. review the findings of the audit with the external auditor. This shall include but not be limited to, the following.
 - (a) any changes in accounting policies and practices.
 - (b) a discussion of any major issues which arose during the audit,
 - (c) any major accounting and audit judgements,
 - (d) compliance with accounting standards.
 - (e) compliance with stock exchange and legal requirements.
 - (f) the going concern assumption.
 - (g) the levels of errors identified during the audit.
 - (h) discuss problems and reservations arising from the audit and any matters the auditors may wish to discuss (in the absence of management where necessary).
- c. review any representation letter(s) requested by the external auditor before they are signed by management.

- d. review the management letter and management's response to the auditor's findings and recommendations.
- e. develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter; and
- f. consider the risk of the withdrawal of the Group's present auditor from the market.

10.4 Risk Management

- a. The Committee will review the risk management and risk register provided by the Risk Management Committee twice a year and will report on risk management issues and exposure to the main Board.

10.5 Whistleblowing and Fraud

The Committee shall:

- a. review the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and
- b. review the Group's procedures for detecting fraud.

11. Reporting requirements

- 11.1 The Chairman shall report formally to the Board and shall make whatever recommendations to the Board the Committee deems appropriate on any area within its remit where action or improvement is needed.

12. Review

- 12.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Approved and adopted by the Board:



Peter Fowler
Board Member

Date: 24th March 2022